

I) Criteria

Criterion	Description
Consistent	<p>The costs allocated to a purpose should not change based solely on how the other purposes are subdivided or aggregated either initially or over time. In addition, effects of cost changes over time on the allocations to each purpose should be predictable and rational.</p> <p>For example, increases in total project costs should not lead to cost allocation reductions for some parties as the expense of larger increases for others. Costs allocated to the federal government related to ecosystem should not change based on whether all users are grouped together or treated separately as urban and agricultural.</p>
Fair	<p>All purposes and beneficiaries are treated the same in terms of receiving a reasonable share of the savings from the joint project. No special rules or calculations should be employed that would result in special treatment of a particular purpose.</p> <p>Joint projects are pursued because it is less expensive than pursuing separate projects to gain the same benefits. The crux of the allocation issues relates to joint costs: those that cannot be traced to a specific purpose. One way to look at the allocation issue is how to share the savings of the joint project versus the separate projects.</p>
Flexible	<p>The allocation method must enable addressing issues for a diverse mix of projects and programs that each may raise different issues</p> <p>For example, does the methodology must enable addressing the issues of fish screens, flood control measures, and recreational benefits? Each of these raise some specific issues.</p>
Inexpensive	<p>Using the cost allocation methodology should involve manageable costs for obtaining input data, performing cost allocation calculations, and developing results</p> <p>For example, SCRB requires costing out a number of scenarios that are never intended to be built for purposes of defining separable costs. This can be expensive.</p>
Rational	<p>Ability to charge each purpose at least as much as the cost of inclusion, and no more than the cost of going it alone</p>
Reliable	<p>The allocation methodology must employ proven techniques. Proven techniques are those that have been employed previously by CALFED agencies or others in similar situations and have been demonstrated to produce workable results.</p>
Sufficient	<p>The cost allocation methodology should assure recovery of full project cost.</p> <p>Marginal cost approaches are not designed to recover a set amount of money, and could end up recovering more or less than the cost of the project.</p>
Understandable	<p>Ability to explain the methodology and results in a manner that enables widespread comprehension and support of the methodology.</p>